Governance: National and local government institutions more openly and effectively perform public responsibilities

1. Program Status

The Center continued to make progress this year in defining appropriate interventions in the governance sector, which help lead to political transformation. Highlights include G/DG support to key DG priority countries (Colombia, Indonesia, Nigeria, and Ukraine) through providing direct TDY support and the use of IQCs (e.g., local government, anti-corruption, policy reform, and civil-military relations); convening the Second International Conference on Legislative Strengthening; and influencing foreign policy objectives. This latter objective is being accomplished through continued engagement in anti-corruption activities in the field, in the design of major policy conferences, in inter-agency policy discussions, and through input into newly passed legislation concerning anti-corruption and good governance. The Center and the Office of Transition Initiatives (OTI) concluded a memorandum of understanding with the Department of Defense (DOD), forming the basis for closer cooperation and coordination of our respective activities in civil-military relations, and promoting civilian oversight of the military.

2. Statement of Purpose

The purpose of this program is to identify lessons learned and fortify strategic approaches for curbing corruption in government, strengthening legislative bodies, promoting decentralization and democratic local governance, enhancing civilian oversight of the military, and improving the management of policy reform—all in the context of promoting political transformation and consolidating democracy in countries where significant political will exists. In short, the program looks at making key government institutions and policy-making processes more transparent, responsive, and accountable to the people they serve, and it promotes a positive relationship between citizens and their government. G/DG's work brings technical expertise and assistance to over 60 missions that have governance-related strategic objectives. It is carried out through an array of buy-ins to contracts; the design and implementation of activities to expand USAID's knowledge base and/or seed larger, mission-funded efforts; the development of technical outreach materials, including "best practices;" training (in-house and distance); and field support through TDY support and ongoing backstopping responsibilities.

3. Key Results

Foreign Policy. In FY 2000, all five governance program areas contributed to the advancement of key foreign policy objectives, particularly in democracy priority countries (i.e., **Colombia**, **Indonesia**, **Nigeria**, and **Ukraine**) where issues of anti-corruption, civil-military affairs, and decentralization and democratic local governance were seen as particularly important to developments. USAID's work in anti-corruption continued to have a significant influence on policy discussions at the inter-agency level, positioning USAID to play a critical role in supporting U.S. foreign policy objectives.

- G/DG's key achievement in its inter-agency role has been getting important players to view the corruption problem as part of the development challenge rather than simply a law enforcement matter. This shift was demonstrated by wide attendance of USG

representatives at the 1999 International Anti-corruption Conference focusing on corruption as a development issue. In subsequent inter-agency contacts, we have seen greater appreciation by our law enforcement colleagues of the long-term, institutional development challenges we face and the importance of USAID's role in fashioning effective responses to corruption. The Center continued its leadership role in coordinating the Agency's ongoing response to the administration's anti-corruption initiative. G/DG coordinated Agency positions in response to several inquiries from the White House, State, the National Security Council, and the Office of Management and Budget on overall Agency program levels, specific country anti-corruption programs, and preparations for the follow-on international conference, Global Forum II, scheduled for May 2001. With new players now in the game, this role is even more crucial.

- Timely assistance, using TDY support and IQC rapid-response capacity, was rendered to three of the four DG priority countries. USAID/**Colombia** called upon G/DG expertise and contracts to launch new programs in anti-corruption and decentralization using the supplemental appropriations to carry out aspects of the USG contribution to Plan Colombia. Staff provided input into the mission's overall strategic approach, helped to develop the scopes of work, and advised the mission on how to access the Center's IQCs to get their programs up and running within six months of passage of the appropriation. Similarly, in **Indonesia** and **Nigeria**, USAID Missions accessed G/DG contracts and staff to assist in implementing programs in anti-corruption, civil-military relations, and local government. Ongoing anti-corruption efforts under a Center IQC continued in **Ukraine**.

- The historic election of Vicente Fox in **Mexico** and the government of Mexico's subsequent interest in technical advice from the USG created new opportunities for DG work. Working with USAID/Mexico, G/DG provided TDY support and assessments to explore program opportunities in anti-corruption, decentralization, and policy reform.

In sum, over time the Center has positioned itself to play a significant policy and programmatic role in support of key U.S. foreign policy objectives. With the ability to draw on Agency experience and lessons learned in public administration across regions and to offer innovative programming interventions via buy-in mechanisms, G/DG has enabled the Agency to respond to the administration's highest priority concerns in a timely fashion.

Technical Leadership: In FY 2000, the Center maintained its strong commitment to being a center of excellence through the convening of a major conference in legislative strengthening, the publication of several new technical publications and overview pieces, the development of training modules in each governance activity, the creation of the first distance learning module in anti-corruption and the design of a training program in anti-corruption for local elected officials. After 10 years, G/DG's longstanding policy reform activity, Implementing Policy Change (IPC), will end, to be followed by an effort to disseminate its methodology and lessons learned.

- The Second International Conference on Legislative Strengthening was held in June 2000, bringing together more than 160 parliamentarians, experts, other donor representatives, and USAID field and headquarters staff. This event focused on the state of the art, key issues, and assistance strategies to improve the representative nature of legislatures in democratizing countries. The conference resulted in the creation of an informal network of African parliamentarians who committed to maintaining contacts

and sharing information on issues of common interest and how to strengthen legislative bodies. A report on the conference was published and also disseminated electronically.

- In 2000, G/DG published the *USAID Handbook on Legislative Strengthening* and the *Decentralization and Democratic Local Governance Programming Handbook*; high demand for the decentralization handbook was demonstrated by 1,200 external downloads from the DG website over a three-month period. The Center also published briefing booklets on legislative strengthening, policy reform, and decentralization and local government. Interest in the 1999 anti-corruption handbook continued, now requiring a fourth print run and totaling some 2,000 copies and an average of 120 electronic downloads per month.

- Technical leadership in anti-corruption is manifested on an ongoing basis through G/DG's monthly convening of the Anti-corruption Working Group (ACWG). The group includes representatives from each regional bureau, PPC, IG, GC, and invited guests from other agencies. Center staff review the latest government-wide developments and explore topics of interest, aimed at developing common positions and approaches. G/DG launched Anti-corruption Resources (http://www.usaid.gov/democracy/anticorruption), a website providing greater access to information on USAID's programs and developments in this fast-growing field. It averages over 500 hits per month, providing visitors with information on legislative developments including congressional hearings and legislation, upcoming conferences, and articles highlighting innovative USAID programs, as well as links to other sources of information on combating corruption.

- A major achievement was the conclusion of a memorandum of understanding between the Agency and DOD's Defense Security Cooperation Agency (DSCA). The aim is fostering greater collaboration and information exchange regarding respective activities in civil-military relations. Through its cooperative agreement with NDI, USAID continued to provide interested missions with tools to assess opportunities in order to undertake programming in this area. The cooperative agreement supported study missions, development of case studies, the enhancement of the website (www.pdgs.org) which provides access to leading experts, and a conference of the agreement's major sub-grantees from Argentina, Indonesia, and the Philippines. With OTI support, the NDI media training and curriculum development programs in Indonesia increased the capacity of journalists to report on national security matters and introduced a new "Security Studies" curriculum at a leading university.

- G/DG has completed training modules for each of its governance program areas. In 2000, in-house training capacity was enhanced in two ways: (1) for the 2000 DG Officers Workshop, trainers in anti-corruption, decentralization, and legislative strengthening developed additional materials in order to offer introductory and advanced courses; and (2) a distance learning module providing the basic course in anti-corruption has been completed. It will soon be available on-line and via CD-ROM to interested missions. Similarly, a training module on anti-corruption for local officials is being developed and will be piloted by G/DG contractors in Albania, El Salvador, and Paraguay where we see the greatest prospects for replicability within regions. These enhancements of our in-house training capacity ensure that the Center's training remains relevant to the growing and better-trained cadre of Agency DG officers.

- After 10 years, IPC comes to an end. At its core, the IPC model emphasized a host-country led approach to policy reform and developed a task model for assisting in that effort. Successes range from improving the climate for small enterprise activities in Bulgaria, to harmonizing standards for transportation and telecommunications in SADC, to the development of enterprise networks in West Africa. The common characteristic of these programs has been how to make the process of policy change more inclusive, transparent, and reflective of the will of the people. More than $30 million in mission buy-ins over the past five years indicates the interest and importance of continued attention to policy reform in assisting macro-level democratic transformation.

Field Support. G/DG's commitment to field support comes in the form of ongoing consultations with Center staff, TDY assignments, the use of IQCs, and the targeted dissemination of best practices and developments of interest to the field.

- The Center provided extensive consultation and support to 15 missions in anti-corruption, including strategy development, scope of work refinement, facilitating access to Center mechanisms, and research requests. This included support to **Colombia**, **Mexico**, **Nigeria**, **Russia**, and **Ukraine**.

- G/DG placed a new IQC in local government, which has already extended services to four missions: **Colombia**, **Morocco**, **Nigeria**, and **West Bank/Gaza**. The anti-corruption IQC has been extremely active with programs in **Albania**, **Colombia**, **Honduras**, **LAC Regional**, **Nigeria**, and **Russia**. A new legislative strengthening IQC aided work in **Egypt**, **Kenya**, **Rwanda**, and **Uganda**.

- G/DG staff has been called on for expert advice in strategy development and sector assessments. TDY support to **Bolivia**, **Mexico**, **Indonesia**, **Georgia**, **Namibia**, **Nigeria**, **Haiti**, and **Mexico** has assisted missions in local government programming, civil-military relations, and dissemination of lessons learned in policy reform. Center staff joined contractors in response to a request to USAID/**Namibia**. The TDY included delivery of two IPC workshops, including the piloting of a the new toolkit; a workshop with the local NGO partner to do advocacy; and recommendations for strengthening the linkage between democracy promotion and the mission's natural resource management activity— all aimed at helping the mission think through the types of activities it could support to beef up the capabilities of Namibian NGOs. In April 2000, Center staff traveled to **Bolivia** at the mission's request, as part of G/DG's backstopping duties and technical support of the mission's DG team. The TDY called for an assessment and concept paper on the prospects for providing support to single-member district members of congress (those elected "uninominally"). Bolivia's recent institution of district-based congressional representation seeks to improve the responsiveness of members of congress to their constituents. Improved responsiveness is a goal shared by the landmark decentralization reform passed in the 1994 Popular Participation Law, so in Bolivia, the two reforms are closely associated. As suggested in the concept paper, the DG team decided, facing limited opportunities, not to work within the Bolivian congress and instead has focused on regional groups that help improve coordination among members of congress and the departments-municipalities-constituents they represent.

- The Center continued its e-mail newsletter on democratic decentralization and local government and added a new e-letter in legislative strengthening as part of the follow-up to the international conference. These bi-monthly e-letters update USAID DG officers on developments in the field, provide information on conferences, events and other informational resources, and share experience across regions.

Program Management/Direct Development Impact. G/DG's main program in anti-corruption consists of its grant to TI, the leading international NGO dedicated to the development of national watchdog groups promoting greater accountability, transparency, and good government. In addition to its support to TI's core budget, the grant includes funds to support the development of local chapters. Adjustments to the grant have made it easier to direct resources to those chapters showing the greatest promise while still ensuring that TI's activities complement USAID's work in that country. Today we support TI in Bangladesh, Bulgaria, Colombia, Dominican Republic, Ghana, Jordan, Mozambique, Senegal, Sri Lanka, and Ukraine. Through its direct support of TI, USAID plays an important role in the worldwide anti-corruption movement. Our assistance spurs local NGO efforts to raise awareness and fashion local anti-corruption initiatives designed to meet differing country conditions. In the area of civil-military relations, in accord with the new MOU with the DOD, USAID and DSCA teamed up to deliver the first joint Expanded International Military Education and Training program (E-IMET) in **Georgia**. We view this as a significant advance in the Agency's effort to build civilian capacity to oversee military matters. Other joint training opportunities are under discussion with DSCA and USAID Missions. In addition to the ongoing work in Indonesia, opportunities for work in civilian-military relations are being explored in Nigeria and Peru. Dissemination of lessons learned and application of the Center's work in policy reform continue to have an impact, particularly in the area of cross-sector linkages as demonstrated by the number of mission requests for IPC workshops to assist policy reform efforts in Haiti, Mexico, and Namibia. Two major workshops have been designed for delivery in early 2001, one on HIV-AIDS and the other on public-private partnerships to fight corruption.

4.   *Performance and Prospects*

Center performance in the governance sector is on track. In technical leadership, with the completion of the handbooks and briefing booklets, the team is now identifying the next generation of issues that need to be addressed to ensure that G/DG can help missions decide— based on likely return on investments—in which DG areas to invest, and in so doing, is better able to service the needs of the field and enhance the impact of our democracy programs. This includes examining replicability and participation in local government activities and a deeper look at legislative strengthening programs as part of the Center's overall impact assessment. The goal in these cases is to move beyond the sharing of best practices to get at making more qualitative judgements of what works in terms of macro-level political and democratic transformation. With the close-out of the Implementing Policy Change activity, the Center seeks to capture the lessons learned over 10 years of USAID's work in approaches to policy reform. In addition to the aforementioned workshops, the policy reform agenda will continue via the IQC for Strategic Planning and Institutional Reform (SPIR), although the Center anticipates significantly less involvement, given the breadth of experience and knowledge gained over the

10 years of IPC. We have already heard of missions (e.g., Guatemala, Mexico, Uganda, and Ukraine) interested in accessing SPIR for priority activities.

USAID's work in anti-corruption is now at a crossroads. The Center has implemented an ambitious agenda that has firmly established USAID as a player in the inter-agency process, responding to the needs of the White House, the National Security Council, the Office of Management and Budget, and numerous State bureaus. G/DG helped keep all relevant USAID offices informed of these assignments, promoted a technical leadership agenda that informs the growing work being done by the field, launched a new website, and serviced the growing number of missions that have initiated activities in this area.

For the past year, we have engaged TI in a dialog on how to best achieve the financial sustainability of the TI Secretariat now supported with grant assistance. TI has proposed an endowment fund to be supported by multiple donors, including the USG. The Center believes that it is in our mutual interests to see TI achieve financial sustainability, not only in building a successful institution but to increase its autonomy and independence in a field where these attributes are important to the credibility of any watchdog organization. We will continue to work with TI to achieve a financially viable strategy and to discuss the prospects for a USAID contribution to an endowment fund.

In governance, our efforts will continue to focus on achieving an ambitious technical leadership agenda in order to maintain our claim as a center of excellence. Also informing our advice to and support of field missions, this agenda is geared to optimally supporting national-level democratic transformations. In the next two years, we expect to see a growing demand for technical support of field missions, as a growing number of anti-corruption programs come on line. We also intend to explore potential partnerships with private sector actors, such as the Council on International Private Enterprise, to pursue innovative anti-corruption programming. In our older portfolios, democratic local governance and legislative strengthening, we intend to focus our technical leadership agenda on researching impacts, or the return on investments, of different approaches with an eye to providing the field with qualitative assessments of how they might pursue future programming choices. The policy reform agenda will consist of inculcating and disseminating the lessons learned under IPC with focus on uncovering and sharing best practices and Agency guidance on cross-sector programming approaches that will make USAID's DG sector and other sector programs more integrated and, we believe, more successful at achieving results.

5.   *Principal Contractors, Grantees, or Agencies*

In FY 2000, the Center managed nine IQCs in the governance area (*Accountability:* Management Systems International, Inc., and Casals and Associates; *Democratic Local Governance*: Associates in Rural Development and Research Triangle Institute; *Legislative Strengthening:* Development Associates and the Research Foundation of the State University of New York; *Policy Reform:* Management Systems International, Inc., (2 IQCs) and Development Associates). In addition, the Center oversees a grant to Transparency International for anti-corruption activities and a cooperative agreement with the National Democratic Institute for International Affairs for civil-military relations.